



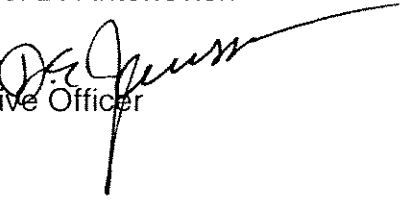
County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

February 18, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen 
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE

Assembly Select Committee on Los Angeles Health Care Crisis

According to Assembly Member Mark Ridley-Thomas' office, the Select Committee will hold its first hearing on February 25, 2005 from 9:30 a.m. to 12:30 p.m. at Centinela Hospital. We understand the hearing will focus on the nature of the crisis, health care consumers, access to care among public and private providers, and the role of government relative to the health care system. The Committee is in the process of developing a witness list that will include representatives from the County, State, and Federal health agencies, as well as consumers, health organizations, and labor representatives. A tentative agenda is attached.

Hearings on Medi-Cal

On Tuesday, February 15, 2005, the Assembly Budget Committee held an informational hearing on the impact of the proposed Federal Budget on California. There was some noteworthy testimony from a representative of the Schwarzenegger Administration who indicated that the President's proposal to curb intergovernmental transfers (IGTs) would cost California \$270 million to \$300 million a year, but that the Federal government has already been moving to curb IGTs administratively. When asked whether the Governor opposes the President's Medicaid budget cuts, the representative said that the Governor has not taken a position and that the Administration was still analyzing the proposals. He noted that some of the proposals would result in State, as well as Federal cost savings, and implied that the State's main concern would be with proposals that shift costs to the State.

On Thursday, February 17, 2005, the Senate Budget and Fiscal Review Subcommittee No. 3 on Health and Human Services convened a hearing on elements of the Schwarzenegger Administration's Medi-Cal Redesign plans, including hospital financing. Representatives from the Administration, public and private hospitals, local initiatives, and health plans provided testimony.

Most of the hearing focused on the State's complex proposal to restructure hospital financing for California's public and private safety net hospitals. Public hospital representatives voiced strong concerns about the Administration's plan to use certified public expenditures (CPE's) made by County and University of California hospitals, in lieu of IGTs. Public hospitals noted that it continues to be unclear which costs will be acceptable to the Federal government over the proposed five-year waiver. Further, there is concern that some of the costs would be audited and ultimately disallowed. Another significant concern relates to a proposed Safety Net Care Pool and uncertainty about how funds from the Pool would be distributed to public hospitals, and possibly private safety net hospitals and other health programs or providers.

Subcommittee Chair Denise Ducheny said that another hearing would be held on Wednesday, March 2, 2005 with the Senate Health Committee to further examine Medi-Cal Redesign. She also stated that regional hearings would be held around the State in late March and early April.

Legislative Analyst Set to Release Analysis of Governor's Budget

Legislative Analyst Elizabeth Hill will release her Perspectives and Issues on the Governor's Proposed FY 2005-06 State Budget on Tuesday, February 22, 2005 at a 1 p.m. press conference. She will unveil her office's formal analysis of the spending plan during an 11 a.m. press conference on Thursday, February 23, 2005.

We will continue to keep you advised.

DEJ:GK
MAL:JF:ib

Attachment

c: Executive Officer, Board of Supervisors
 County Counsel
 Local 660
 All Department Heads
 Legislative Strategist
 Coalition of County Unions
 California Contract Cities Association
 Independent Cities Association
 League of California Cities
 City Managers Associations
 Buddy Program Participants

TENTATIVE AGENDA FOR THE ASSEMBLY SELECT COMMITTEE ON THE LOS ANGELES HEALTH CARE CRISIS

- I. Welcome and Introduction-Mark Ridley Thomas, Chair
- II. Statements by individual Committee Members
- III. Overview and the Nature of the Crisis
 - Profile of Health Care Consumers
 - Access to Care-Public and Private
 - Role of the Uninsured and Underinsured
- IV. Role of Government and its Impact on the Health Care System
 - Presentation by Dr. Garthwaite
 - Presentation by the State-Potentially Sandra Shewry, Dir. State Dept. of Health Services
 - Presentation by Feds
- V. The Funding of Care with a Focus on Access
 - Testimony by representatives of Hospitals, Nurses, Doctors, Clinics and Unions